

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

APPEAL FROM ORDER No 304 OF 1999

AND

CIVIL APPLICATION NO.5363 OF 1999

AND

CIVIL APPLICATION NO.5809 OF 1999

For Approval and Signature:

Hon'ble MR.JUSTICE M.R.CALLA

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1. Whether Reporters of Local Papers may be allowed : YES  
to see the judgement?
  2. To be referred to the Reporter or not? : YES
  3. Whether Their Lordships wish to see the fair copy : NO  
of the judgement?
  4. Whether this case involves a substantial question : NO  
of law as to the interpretation of the Constitution  
of India, 1950 of any Order made thereunder?
  5. Whether it is to be circulated to the Civil Judge? : NO

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RAJ REMEDIES

Versus

RICHARDSON VICKS INC.  
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Appearance:

MR MJ TRIVEDI for appellant

MR KS NANAVATI, Sr.Counsel with MR VIMAL PATEL for  
Respondents  
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CORAM : MR.JUSTICE M.R.CALLA

Date of decision: 03/03/2000

ORAL JUDGEMENT

This appeal is directed against the order dated

6th April 1999 passed by the Judge, Court No.XVI, City Civil Court, Ahmedabad.

2. The respondents nos.1 and 2 herein (orig. plaintiffs) filed Regular Civil Suit No.855 of 1999 before the City Civil Court, at Ahmedabad along with an application for temporary injunction, in the following terms:

"(A) That the defendants by itself, its partners, servants, agents, dealers, distributors and assignees be restrained by an order of temporary injunction of this Hon'ble Court till final disposal of this suit, from infringing the plaintiffs' Trade Mark "VICKS" by use of the Trade Mark "VIKAS" or any other marks similar to the plaintiffs' Trade Mark "VICKS".

(B) That the defendants by itself, its partners, servants, agents, dealers, distributors and assignees be restrained by an order of temporary injunction of this Hon'ble Court till the final disposal of this suit from infringing the plaintiffs' Copy Right in the artistic work in label or any other similar artistic work which is similar to the plaintiffs' Copy Right in artistic work.

(C) That the defendants by itself, its partners, servants, agents, dealers, distributors and assignees be restrained by an order of temporary injunction of this Hon'ble Court till final disposal of this suit from passing of the defendants' goods as for plaintiffs' goods by manufacturing, selling and/or offering for sale otherwise dealing in medicinal preparation and allied product by use of the Trade Mark "VIKAS" or any other Trade Mark deceptive as similar to the plaintiffs Trade Mark "VICKS".

(D) That the defendants by order of temporary injunction of this Hon'ble Court be restrained from passing off the goods of the defendants as the goods of the plaintiffs by manufacturing, selling, offering for sale, or otherwise dealing

in medicinal preparations by using deceptively similar artistic work and label similar to the plaintiffs' artistic work till the final disposal of the suit."

3. The claim of the respondents-plaintiffs is that the plaintiff no.1 is a Corporation existing under the laws of the United States of America and is proprietor of several trade marks which are also registered in India. The plaintiff no.1 is the owner of the trade mark 'VICKS'. The plaintiff no.2 is a subsidiary of the plaintiff no.1 and is a registered Company incorporated under the Companies Act, 1956. The plaintiff no.2 is also engaged in the business of manufacturing and marketing the medicinal products under the trade mark, 'VICKS'. The plaintiff no.2 is also originater and owner of the copy right of artistic work contained in the label, i.e. packing of green colour with mark 'VICKS' written in a novel fashion. The plaintiff no.2 thus claims to be the owner of the colour scheme and get up of the packing (sachet). The plaintiff no.1 adopted and used the trade mark 'VICKS' in respect of their medicinal products since more than 100 years and used the trade mark 'VICKS' in respect of its medicinal preparations in India through its subsidiary, i.e. plaintiff no.2 since 1971. The plaintiffs have thus adopted and used the said trade mark openly, extensively and continuously since 1971 in India and it is their say that the trade mark of 'VICKS' is also registered under the provisions of the Trade and Merchandise Marks Act, 1958, which will be hereinafter referred to as 'the Trade Marks Act' under Number 328355 in Class-V in respect of pharmaceuticals etc. It is the claim of the plaintiffs that because of the long, continuous, open and extensive use of the trade mark 'VICKS' and because of the superior and high quality of the product, it has acquired a high reputation and goodwill in the market throughout the country. This product of the plaintiffs, because of its superior quality, is known, identified and purchased in the market by dealers and customers under the trade mark 'VICKS' and the same is identified by its distinguished get up and the colour scheme of artistic work on the label. According to the plaintiffs, the sale figure of their product 'VICKS' cough drops have reached up to Rs.66 crores in 1997-98. It is also their case that they have extensive net work of advertising their product cough drops under the trade mark 'VICKS' and they have advertised the said product throughout India including Gujarat in all leading channels of TV and they are spending crores of rupees on advertising. The grievance

raised by the plaintiffs in the suit as aforesaid and the application for injunction was that the defendant, i.e. appellant herein has introduced a product in the market in the name of 'VIKAS' with the similar get up of the packing and use of the trade mark 'VICKS' which is deceptively similar and the defendant has infringed the rights of the plaintiffs and is thereby causing serious prejudice to the benefits and business of the plaintiffs apart from gaining undue benefit to itself.

4. The claim of the plaintiffs was sought to be traversed by the defendant appellant and the notice of motion was opposed by filing a reply at Exh.26. The plaintiffs filed an affidavit-in-rejoinder at Exh.27 and contended that the defendant is a sole proprietary concern marketing mentholated confectionery under the trade mark, 'VIKAS'. According to the defendant, the said product is not at all similar to the plaintiffs' trade mark 'VICKS'.

5. The Judge, City Civil Court, Ahmedabad, after hearing both the sides, passed the order on 6th April 1999 granting interim relief in terms of para 20(a), (b), (c) and (d) of the notice of motion till the pendency of the suit. It is this order dated 6th April 1999 which is impugned by the appellant (defendant) before this Court.

6. The controversy between the parties is as to whether the sachet with the name of 'VICKS' of the plaintiffs is deceptively similar to the product of the defendant in sachet with the name of 'VIKAS'. The case of the present appellant-defendant is that there is no similarity in these two items as are being marketed and the plaintiffs cannot claim any enforceable right and have no case for the purpose of the injunction as has been granted by the Civil Court in the instant case. Learned Counsel for the appellant has assailed the injunction order passed by the City Civil Court on the grounds that the plaintiff no.2 is not a registered user under Sec.48 and 49 of the Trade and Merchandise Marks Act and that even under common law, the plaintiff no.2 had no right to check the marketing of the defendant's product in the name of 'VIKAS' which has no similarity with the product 'VICKS'. It has been submitted that the words are in two different languages, 'VICKS' is an English word whereas 'VIKAS' is a Hindi word and has a definite meaning which has nothing to do with the word 'VICKS'. Learned Counsel for the appellant has also submitted that the format in which the injunction has been granted deserves to be modified so as to allow the defendant appellant to continue the said business subject to appropriate

conditions which the Court may deem fit to impose. In support of his submissions, the learned Counsel for the appellant has placed reliance on a decision of the Supreme Court in the case of Roche & Co. v. G. Manners & Co. reported in AIR 1970 SC 2062. In this case, the Supreme Court considered as to whether the word 'DROPOVIT' is deceptively similar to the word, 'PROTOVIT'. The Court found that the evidence in this case had shown that there were as many as 57 trade marks in the Register of Trade Marks with the suffix 'VIT' and therefore, even an average customer would know that in respect of Vitamin preparations, the word 'VIT' occurs in large number of trade marks and because of this he would naturally be on his guard and take special care against making a mistake. The Court applied the test that each of the two words must be taken as a whole word. Each of the two words consists of eight letters, the last letters are common and in the uncommon part of the first two are consonants, the next is the same vowel 'o', the next is a consonant and the fifth is again a common vowel 'o'. The combined effect is to produce an alliteration and it was indicated that the last three letters, 'VIT' is well known common abbreviation used in the pharmaceutical trade to denote Vitamin preparations. The question was considered as to whether the word. 'DROPOVIT' would strike an ordinary person knowing English as meaning "DROP OF VITAMIN". The High Court had pointed out that the original application for rectification did not contain the ground that the word, "DROPOVIT" was descriptive. It was, therefore, legitimate to draw the inference that the word "DROPOVIT" did not strike even Messrs Depenning and Depenning, the legal advisers of the appellant as being descriptive. It was also noted by the Supreme Court that the High Court had pointed out in the judgment that when the case was opened before the Court, it was not understood that the word 'DROPOVIT' meant 'DROP OF VITAMIN' till the explanation of that word was given to it. The Supreme Court, therefore, found that, there is no reason to differ from the reasoning of the High Court on this aspect of the matter and that if the word, 'DROPOVIT' is not a descriptive word, it must be held to be an invented word; that the word 'DROPOVIT' was coined out of words commonly used by and known to ordinary persons knowing English. But the resulting combination produces a new word, a newly coined word which does not remind an ordinary person knowing English of the original words out of which it is coined unless he is so told or unless at least he devotes some thought to it. The Supreme Court found that, it follows that the word 'DROPOVIT' being an invented word was entitled to be registered as a trade mark and was not liable to be

removed from the Register on which it already exists.

Mr.Trivedi has also cited the case of M/s.Himalaya Drug Co.Pvt.Ltd. v. Arya Aushadhi Pharmaceutical Works, reported in AIR 1999 M.P. 110 in which the words under consideration were, 'SAPTLIN' and 'SEPTILIN' as against the word, 'PEPTILIN'. The Division Bench of M.P.High Court considered the controversy in the context of the provisions of Section 2(q)(r)(s), i.e. the words 'registered proprietor', 'registered Trade Mark' and 'registered user' under the Trade Marks Act and that the 'registered user' means a person who is for the time being registered under Sec.49. While Section 48 of the Act deals with the 'registered users and Sec.49 prescribes for registration by such registered users and it envisages that both registered proprietor and registered user shall make a joint application to the Registrar in writing and in prescribed manner for such registration. After considering the facts of various products, the Division Bench of the M.P. High Court found that there was no dispute that only registered proprietor of the Trade Mark or a registered user of the Trade Mark could launch proceedings to prevent its infringement and if the user was not registered, he could not maintain a suit under Sec.51. It was, therefore, held that the suit was rightly dismissed by the appellate Court because the Company had failed to prove that it was a registered user and that trial Court had returned a finding in this regard without any evidence on record. On the basis of this authority, Mr.Trivedi has submitted that the plaintiff no.2 not being a registered user, could not maintain the suit under Sec.51. This case is clearly distinguishable in as much as even if the plaintiff no.2 is not a registered user it is a permitted user by plaintiff no.1 and plaintiff no.1 is undisputedly a registered proprietor and plaintiff no.2 is its subsidiary. Such was not the fact-situation in the case before Madhya Pradesh High Court.

Mr.Trivedi has also placed reliance in the case of Anglo-Indian Drug & Chemical Co. v. Swastik Oil Mills Co.Ltd. reported in 36 Bombay Law Reporter 1165. In this case, the controversy before the Bombay High Court was as to whether the defendant's user of 'No.777' on their Bar Soap was an infringement of the plaintiffs' trade mark, number '777'. The Bombay High Court held as under:

"Held. (1) that the plaintiffs were not entitled to claim a right in a trade mark in respect of soap which was neither manufactured nor sold by

them at the date of the suit;

- (2) that the plaintiffs had not established by their evidence that they had acquired an exclusive right to use the trade-mark "No.777" in connection with each and every toilet preparation of their manufacture;
- (3) that the plaintiffs had not established by their evidence that bar soap came under the description of "toilet preparations" or that it was usually manufactured by persons manufacturing and selling "toilet preparations", or was 'allied' to such preparations in order to attract to it the benefit of a trade-mark which had been used only in connection with such preparations;
- (4) that there was no reasonable probability of deception; and
- (5) that the defendants' user of the number "777" on their bar soap was, therefore, not an infringement of the plaintiffs' trade-mark "No.777".

It is, therefore, clear that in this case, the Court on the factual basis that the plaintiff could not claim the right in Trade Mark in respect of the soap which was neither manufactured nor sold by them at the date of the suit and further that the plaintiffs had failed to establish the evidence that they had acquired the exclusive right to use the Trade Mark "No.777" in connection with each and every toilet preparation of their manufacture. It was accordingly held that the defendants' user of number "777" on their bar soap was therefore, not an infringement of the plaintiffs' Trade Mark "No.777". It may be observed that such a fact situation is not observed in the instant case as the plaintiffs have prima facie shown that the product in question is being manufactured and sold by them not only on the date of the suit but for long years and even by the plaintiff no.2 since 1971. The plaintiffs have also shown that the Trade Mark "VICKS" was available as a registered Trade Mark to the plaintiff no.1 and the plaintiff no.2 was a permitted user by the plaintiff no.1. Besides this, in the Bombay High Court decision in the end, the Court has recorded that the defendants had intimated to the Court at the outset that the Directors of the defendants Company were not keen on using the number "777" on their products, but as the plaintiffs alleged in their plaint that the object of the defendants

was 'to trade on the reputation enjoyed by the plaintiffs' goods bearing the same number "777", and charged the defendants with fraud, they wished to stand on their strict rights and contest the claim.

Mr.Trivedi has also cited a case of Marcos Bale reported in Vol.LXV Reports of Patent, Design, and Trade Mark Cases 17. In this case, the effect of evidence was analysed as to the actual or probable confusion in a foreign country, whether English speaking or not, on the question to be decided by the Registrar, viz. whether the marks would produce confusion in the country amongst those engaged in the export trade to Argentina, and also considered the evidential values, if any, of the decisions of the Argentine Courts. It was held that there was no likelihood of confusion between the marks "Solibrisa" and "Summer Breeze" and the fact that one of two word marks was in English, and the other in a foreign language, would, in general, diminish the probability of confusion through "imperfect recollection".

7. On the other hand, Mr.Nanavati has submitted that there is no dispute that the plaintiff no.1 is the original proprietor of "VICKS", plaintiff no.2 is the subsidiary of the plaintiff no.1 and the plaintiff no.1 has entered into an agreement with plaintiff no.2 with regard to the use of the word "VICKS". He has submitted that the two words, "VICKS" and "VIKAS" are deceptively similar and the test to be applied in such cases should be the average person's ability based on imperfect recollections. He has submitted that the very look of the sachets in which the plaintiffs' product "VICKS" is available in the market and the sachets in which the products "VIKAS" of the defendant is made available in the market which clearly manifests the deceptive similarity and in the facts of the present case, the trial Court has rightly passed injunction order and the same does not warrant any interference by this Court, the challenge to this order by the appellant cannot be sustained. He has placed reliance on a decision of the Supreme Court in the case of M/s.Gujarat Bottling Co. Ltd. v. Coca Cola Company reported in AIR 1975 SC 2372. He has placed reliance on para 13 of this judgment and the same is reproduced hereunder:

"13. Apart from the said provisions relating to registered user, it is permissible for the registered proprietor of a trade mark to permit a person to use his registered trade mark. Such licensing of trade mark is governed by common law and is permissible provided (i) the licensing



does not result in causing confusion or deception among the public; (ii) it does not destroy the distinctiveness of the trade mark, that is to say, the trade mark, before the public eye, continues to distinguish the goods connected with the proprietor of the mark from those connected with others; and (iii) a connection in the course of trade consistent with the definition of trade mark continues to exist between the goods and the proprietor of the mark. (See: P.Narayanan Law of Trade Marks and Passing Off, 4th Ed., para 20, 16, p.335). It would thus appear that use of a registered trade mark can be permitted to a registered user in accordance with provisions of the Act and for that purpose the registered proprietor has to enter into an agreement with the proposed registered user. The use of the trade mark can also be permitted dehors the provisions of the Act by grant of licence by the registered proprietor to the proposed user. Such a licence is governed by common law."

He has also placed reliance on 80 CWN 222, i.e. the case of Caprihans (India) Pvt.Ltd. v. Registrar of Trade Marks and ors. Para 22 of this judgment as has been relied upon by Mr.Nanavati is reproduced hereunder:

"22. Any person claiming to be a proprietor of a trade mark used by him may mean a person claiming to be a proprietor of an unregistered trade mark using it though a common tax licensee."

The next decision which was cited by Mr.Nanavati was the case of Fatima Tile Works and anr. v. Sudarsan Trading Co. Ltd. and anr., reported in 1992 Company Cases Vol. 423, i.e. a decision of the Madras High Court, wherein it has been held that since the relationship between a holding company and its subsidiary necessarily implies exercise of great control by the former over the latter, Courts have held that the use of a trade mark by a subsidiary can fairly be created as use by the holding company. The reliance was also placed on a decision of the Gujarat High Court in the case of Simatul Chemical Inds. v. Cibatul Ltd., reported in 1978 GLR 315 wherein the Division Bench of this Court has held as under:

"'Cibatul' and 'Simatul' are so similar that confusion is likely to be created amongst persons dealing with them."

In the case of Ciba-Geigy Ltd. v. Torrent Laboratories

Pvt. Ltd., reported in 1993 (1) GLR 325, it was held that the Trade Mark 'ULCIBAN' could create confusion in the mind of the public and could pass off the trade mark of the petitioner Ceiba-Geigy Ltd. which was the registered proprietor of the trade Mark of 'CIBAZOL' and 'CIBALGIN'. In the case of Hiralal Prabhudas v. M/s.Ganesh Trading Co. and ors. reported in AIR 1984 Bombay 218, the question of similarity between two marks, 'HIRALAL CHHAP BIDI' and 'HIMATLAL SPECIAL BIDI' was considered and the Division Bench of the Bombay High Court found that the two labels were deceptively similar. In the case of Ruston & Hornsby Ltd. v. The Zamindara Engineering Co. reported in AIR 1970 SC 1649, the Supreme Court considered the distinction between the words, 'RUSTON' and 'RUSTAM INDIA' and it was held that an infringement action is quite distinguishable from a 'passing off action' although the two are similar also in some respects. In passing off action, the issue is whether the defendant selling goods so marked as to be designed or calculated to lead purchasers to believe that they are plaintiff's goods, but in an infringement action the issue is as to whether the defendant using a mark which is the same as or which is a colourable imitation of the plaintiff's registered trade mark? In this case, the finding of the High Court that the words 'RUSTON' and 'RUSTAM' are deceptively similar was not challenged before the Supreme Court and the Supreme Court held that the suffix 'INDIA' is of no consequence if the respondent's trade mark is deceptively similar to that of the appellant and accordingly the appellant was granted the decree restraining the respondents by a permanent injunction from infringing the trade mark 'RUSTON' and from using it in connection with manufacture and sale of their products under the trade mark 'RUSTAM INDIA'. In the case of Kaviraj Pandit Durga Dutt Sharma v. N.P.Laboratories, reported in AIR 1965 SC 980, the Supreme Court held that, in an action for infringement, the plaintiff must, no doubt, make out that the use of the defendant's mark is likely to deceive, but where the similarity between the plaintiff's and the defendant's mark is so close either visually, phonetically or otherwise and the Court reaches the conclusion that there is an imitation, no further evidence is required to establish that the plaintiff's rights are violated. In the case of M/s.Richardson Vicks Inc. & Anr. v. M/s.Vikas Pharmaceuticals, reported in 1990 PTC 16, the Delhi High Court considered the trade marks, 'VICKS VAPORUB' and 'VIKAS'S PACORUB' and the question of infringement and passing off action. The Delhi High Court found that where the two terms as aforesaid were deceptively similar, it was not comparing the trade mark

'PACORUB' of the defendant with the trade mark 'VAPORUB' of the plaintiff and observed that it was the question of comparison of the trade mark with 'VICKS VAPORUB' or 'VIKAS'S PACORUB', then it will be said that there is deceptive similarity between the two, but the totality of the trade mark including the labels have to be considered for the purpose of arriving at a conclusion that there is a deceptive similarity between the two or not. The defendants were using the trade mark and the label with the words 'VIKAS'S PACORUB'. Plaintiffs are using the trade mark with the label and container bearing the words, 'VICKS VAPORUB'. Upon comparison, whether one mark resembles another or not, generally depends upon first impression. The mark 'VIKAS'S' of defendants and mark 'VICKS' of plaintiff are prominent. Marks 'PACORUB' and 'VAPORUB' take the second place. 'VIKAS'S' resembles the mark 'VICKS' and, in any case, appears deceptively similar to the mark 'VICKS'.

8. I have considered the submissions as have been made by the parties and I have also gone through the aforesaid cases. It has to be held that the suit is maintainable at the instance of a permissible user if the trade mark is held by the main party, such as the plaintiff no.1 in this case. From the propositions of law as have been laid down in the decisions aforesaid, it is discernible that the touch stone in such cases should be as to whether the two marks are deceptively similar or not and that depends upon the ability of an average person with imperfect recollection. The test to be applied would be as to whether the trade name in which the products in question are sold is likely to create confusion in the minds of the customers or the dealers. Whereas the matter has come up before this Court at the stage of injunction application and the suit is still pending, on the factual aspect of the matter, I do not consider it proper to express any final opinion at this stage. However, it is very clear from the principles of law laid down in the cases which have been cited by both the sides that the plaintiffs i.e. respondents herein have a very fair and arguable question to raise and they have been able to establish a prima facie case in their favour. The view taken by the City Civil Court while passing the impugned order prima facie is found to be correct on the hallmark of deceptive similarity and ability of an average person with imperfect recollection. Obviously, in such cases, if a party claims that its product is going on in the market for decades it is bound to suffer an irreparable loss as against the other party which has floated the product in question only two years back in 1998 unless the latter is checked and therefore

the balance of convenience obviously lies in favour of the plaintiffs. The injunction order as has been passed by the City Civil Court does not warrant any interference. All the ingredients required for granting injunction order are found to be existing in the instant case in favour of the plaintiffs. So far as the change in the format of the injunction is concerned, this Court is not concerned because the order as has been passed by the trial Court has been found to be in order. In case the appellant defendant has any new suggestion or proposal to make, it is always open for the appellant defendant to apply with those new proposals or suggestions for modification of the order before the trial Court, if it so chooses. I do not find any substance in this appeal. The same is hereby dismissed.

9. Whereas, the appeal itself has been dismissed, there is no question of passing any stay order in the stay Application. The Civil Application No.5363 of 1999 for stay is accordingly dismissed. The Civil Application No.5809 of 1999 has to be disposed of in terms of the order dated 23.6.1999.

(M.R. Calla, J.)

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